

11 June 2018



PCG Entertainment Plc
("PCGE", the "Company" or the "Group")
PCG Entertainment Plc / Index: AIM / Epic: PCGE / NEX: PCGE

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR").

Company update, proposed termination of equity sharing facility and proposed fundraising

Company update

Following the update provided prior to the UK Investor Show on 11 April 2018 the Board of PCGE is today providing the following update on the Company's business.

1. Environmental technologies

The Company remains in discussion with Dubai based Cavitation Solutions Ltd ("Cavitation Solutions") to distribute their cavitation technology in China and elsewhere in Asia. Cavitation Solutions applied earlier in the year to become an official environmental solutions provider to the Regional Organization for the Protection of the Marine Environment ("ROPME") and the Marine Emergency Mutual Aid Centre ("MEMAC") to deal with various oil and other environmental pollutants throughout the Gulf region.

ROPME and MEMAC are non-profit organisations setup and paid for by all countries surrounding the Gulf, including: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. ROPME and MEMAC provide environmental services to all these countries and support the main ministries in combatting environmental problems. The main roles of the organisations are to protect the marine environment and to support Gulf Nations during times of emergencies relating to environmental problems occurring throughout the region. In order to support their activities, ROPME and MEMAC contract all their work to professional companies that meet their stringent standards for quality, safety and environmental excellence.

Following several weeks of auditing, on 29th April 2018 Cavitation Solutions was approved by ROPME and MEMAC to provide environmental solutions throughout the Middle East, including:

- Waste oil collection and processing
- Oil spill and oil contamination cleanup
- Contaminated and wastewater treatment
- Remediation of contaminated land
- Environmental emergency response

2. ChainZy Plc

The IPO process for ChainZy Plc ("ChainZy"), a platform which uses Distributed Smart Ledger Technology (sometimes known as blockchain) is progressing well. The Company continues its discussion with ChainZy on the possibility of ChainZy using PCGE's infrastructure in Asia to distribute its technology in the region and may involve PCGE making a pre-IPO investment in ChainZy Plc. Shareholders should note that Michael Mainelli, a Director of PCGE, is a shareholder and director of ChainZy. The Board continues to believe this is a major opportunity for PCGE.

3. Opportunities to utilise the Company's media and gambling licences

Discussions with a third party on the use of the Company's media and gambling licences for the broadcast of certain sporting events over the Internet in China continues.

Termination of the equity sharing arrangements

The Company announces that it has entered into an agreement (the "Agreement") with D-Beta One EQ, Ltd. ("D-Beta") pursuant to which, inter alia, the parties have agreed to suspend the monthly payments to be made for April, May and June 2018 ("Deferred Monthly Payments") in respect of the equity sharing facility (the "Equity Sharing Facility") entered into by the Company with D-Beta, which was announced by the Company on 18 August 2017. The net amount payable in respect of the Deferred Monthly Payments is currently anticipated to be £8,609.41 payable by the Company to D-Beta. The Agreement also provides, inter alia, that:

- purchasers will be sought for 97,999,999 existing ordinary shares of 0.1 pence each in the capital of the Company held by D-Beta (the "Sale Shares");
- subscribers will be sought for new ordinary shares of 0.1 p each (the "New Ordinary Shares") in the capital of the Company (the "Placing Shares") to raise gross proceeds of approximately £303,000;
- the sale of the Sale Shares is to be conditional on admission to trading on AIM of the Placing Shares;
- neither the sale of the Sale Shares nor the placing of the Placing Shares will be underwritten;
- subject to receipt by D-Beta of the net proceeds of the sale of the Sale Shares and receipt by the Company of the net proceeds of the issue of the Placing Shares in each case by 30 June 2018 the final amount to be paid by or to the Company as the case may be (the "Final Payment Amount") in order to terminate the Equity Sharing Facility will be agreed by the parties or determined by the Company's auditors and such amount will relate not only to the Deferred Monthly Payments but also to each further anticipated monthly payment to be made under the Equity Sharing Facility (each such further anticipated monthly payment being defined as a "Further Payment"). It is currently anticipated that the Final Payment Amount will be approximately £118,855 payable by the Company to D-Beta but the actual amount of the Final Payment Amount will depend on, inter alia, the price at which the Sale Shares are sold and the Placing Shares are subscribed; and
- in the event that the net proceeds of the Share Sale and the Placing are not received by D-Beta and the Company respectively by 30 June 2018 then the payment of the Monthly Deferred Payments will be deferred to July, August and September 2018 respectively and the payment of each Further Payment will be deferred by 3 months respectively.

Proposed fundraising

The Company announces that it is proposing to raise a total of £303,000 (before expenses) through the issue of 202,000,001 New Ordinary Shares at a placing price of 0.15 pence (the "Placing Price") per New Ordinary Share. In addition D-Beta proposes to arrange the sale of 97,999,999 existing ordinary shares in the capital of the Company at the Placing Price.

It is proposed that the net proceeds of the Placing will be used to accelerate PCGE's business strategy and to settle amounts due to D-Beta under the Equity Sharing Facility as referred to above.

Further announcements will be made in due course.

For more information on PCGE please visit the Company's website www.pcge.com.

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